

S. Mark Francis

2201 3rd Avenue NW, Calgary, AB T2N 0K7 403-993-1750 email: smarkfrancis@outlook.com

21st March, 2025

Chioma Nwachukwu, CNSX Markets
Trading and Markets Division, OSC
Michael Grecoff, British Columbia Securities Commission

Re: CSE Proposed Amendments, Notice 2025-002

I was publicly a consultant to CSE for 21 years, have been in the capital markets for some 40 years, and am dedicated to the small/micro cap markets as both investor and advisor to entrepreneurs, including at the angel investor level.

The CSE Proposed Amendments properly deal with a point of abuse, especially in the case of asset, technology, or property acquisitions.

In particular, some companies have used the ability to issue freely trading stock for minor or questionable assets as a way of putting liquid shares into the hands of a preferred party (not necessarily related or even a known consultant/contractor) with such shares to be sold into a stock promotion or while share prices are high.

A 4 month hold should be sufficient time for investors to gain a proper sense of a new asset (crossing over at least one quarterly report). If the asset is a good asset then the seller of the asset receiving shares in return should be happy to continue holding the shares. If there is an unusual situation where the seller of the asset is distressed and needs liquidity then that could be considered by the exchange as a factor.

Requiring proper disclosure as the price for shares being freely trading, within the context of an exchange having regulatory flexibility, is the right way to deal with this area of past abuse.

I support the Proposed Amendments.

Yours truly,

S. Mark Francis, CIM
Advisor to Entrepreneurs and the Small Cap Pubco Space